Shreveport-Bossier City, Louisiana

The Shreveport-Bossier City metropolitan area in the northwest corner of Louisiana includes Bossier, Caddo, and De Soto Parishes. Natural gas drilling in the Haynesville Shale Field has been the primary economic driver in the area since 2008. As of July 1, 2012, the population of the metropolitan area was estimated at 406,800, an average annual increase of approximately 3,650, or 0.9 percent, since April 2010. From 2006 through 2009, the population increased at an average annual rate of 1,775, or 0.5 percent. In-migration to the metropolitan area increased considerably during the past 2 years in response to job opportunities, primarily in the mining and logging subsector. The largest employers in the HMA are the Barksdale Air Force Base (AFB), Louisiana Department of Civil Service, and Louisiana State University Health Sciences Center, with 10,450, 9,350, and 5,900 employees, respectively.

The economy of the metropolitan area improved during the past year. Nonfarm payrolls increased by 1,500 jobs, or 0.9 percent, to 178,300 jobs during the 12 months ending June 2012 compared with an increase of 1,200 jobs, or 0.7 percent, during the previous 12 months. In contrast, the number of jobs declined by an average 2,600, or 1.4 percent, annually in 2009 and 2010. The largest nonfarm payroll gains during the past 12 months occurred in the trade and government sectors, which grew by 1,600 and 600 jobs, and the mining and logging subsector, which grew by 300 jobs. The construction subsector recorded the largest payroll decline, losing 1,100 jobs, or 13.3 percent. Recent job losses in this subsector were partly the result of a sharp reduction in the price of natural gas, which led to a decline in the construction of infrastructure related to the Haynesville Shale Field. Other job losses in the 12 months ending June 2012 occurred in the manufacturing and information sectors, which declined by 500 and 300 jobs, respectively. During the same period, the unemployment rate declined from 7.1 to 6.8 percent, but it remains higher than the average rate of 5.2 percent recorded annually from 2003 through 2008.

Home sales market conditions in the Shreveport-Bossier City metropolitan area are balanced. The home sales vacancy rate is estimated to be 1.4 percent, unchanged from April 2010. Based on data from Hanley Wood, LLC, during the 12 months ending June 2012, the number of new and existing home sales in the metropolitan area totaled approximately 6,975, a 2-percent increase from the 6,875 homes sold during the previous 12-month period. By comparison, an average of 13,550 homes sold annually from 2005 through 2008. During the 12 months ending June 2012, the average sales price of new and existing homes declined by 3 percent, to $164,400, from the $168,700 home sales price recorded during the previous 12 months. According to data from LPS Applied Analytics, in May 2012, 7.3 percent of the total home loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), an increase from the 7-percent rate recorded in May 2011.

Home construction activity, as measured by the number of single-family building permits issued, increased in the metropolitan area but remains much less than building levels recorded earlier in the decade. During the 12 months ending June 2012, according to preliminary data, permits were issued for 1,125 single-family homes, a 5-percent increase from the 1,075 permits issued during the previous 12 months. After peaking in 2006, when 1,800 single-family homes were permitted, single-family home construction activity declined each year through 2009. Recent single-family construction activity has been concentrated in north Bossier City and southeast Shreveport.

Multifamily construction activity in the Shreveport-Bossier City metropolitan area remains low, maintaining a slightly tight rental market. Based on preliminary data, during the 12 months ending June 2012, approximately 280 multifamily units were permitted, up from the 250 units permitted during the previous 12 months. Multifamily construction activity averaged 510 units permitted annually from 2002 through 2008, then fell to an average of 210 units annually from 2009 through 2010. The most recent multifamily development was completed in south Bossier City near Barksdale AFB, Jamestown Place Apartments, a 212-unit complex, completed its first phase of construction in May 2010 and is currently in the second phase of construction, which will add 132 units.

The rental housing market in the metropolitan area is slightly tight. The apartment market has tightened since 2008, when the average apartment vacancy rate was 5 percent because of lower apartment production, which allowed the supply of vacant available units to be absorbed. According to Axiometrics Inc., the apartment vacancy rate in Shreveport-Bossier City increased from 3 percent in the second quarter of 2011 to 4.6 percent in the second quarter of 2012, due in part to recent completions. During the same period, the average apartment rent in Shreveport-Bossier City remained unchanged at $740.